



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Korea, Mexico, and Turkey

- On February 23, 2016, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of imports of heavy walled rectangular welded carbon steel pipes and tubes from Korea, Mexico, and Turkey.
- The AD law provides U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market distorting effects caused by injurious dumping of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value.
- Commerce preliminarily determined that heavy walled rectangular welded carbon steel pipes and tubes from Korea, Mexico, and Turkey have been sold in the United States at dumping margins ranging from 2.53 percent to 3.81 percent, 3.99 percent to 16.31 percent, and 0.00 percent to 14.48 percent, respectively.
- In the Korea investigation, mandatory respondents Dong-A Steel Company and HiSteel Co., Ltd. received preliminary dumping margins of 2.53 percent and 3.81 percent, respectively. All other producers/exporters in Korea received a preliminary dumping margin of 3.31 percent.
- In the Mexico investigation, mandatory respondents Maquilacero S.A. de C.V. and Productos Laminados de Monterrey S.A. de C.V. received preliminary dumping margins of 3.99 percent and 16.31 percent, respectively. All other producers/exporters in Mexico received a preliminary dumping margin of 13.65 percent.
- In the Turkey investigation, mandatory respondents MMZ Boru Profil Uretim Sanayi Ve Tic. A.S. and Ozdemir Boru Profil San. Ve Tic. Ltd. Sti. received preliminary dumping margins of 14.48 percent and 0.00 percent, respectively. All other producers/exporters in Turkey received a preliminary dumping margin of 14.48 percent.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates, except where these rates are de minimis. Further, as a result of the affirmative preliminary determination in the concurrent CVD investigation involving Turkey, Commerce will adjust the preliminary cash deposit rates in the Turkey AD investigation by the amount of the CVD export subsidies, where appropriate.
- The petitioners for these investigations are Atlas Tube, a division of JMC Steel Group (IL); Bull Moose Tube Company (MO); EXLTUBE¹ (MO); Hannibal Industries, Inc. (CA); Independence Tube

¹ EXLTUBE is not a petitioner in the investigation involving Mexico.

Corporation (IL); Maruichi American Corporation (CA); Searing Industries (CA); Southland Tube (AL); and Vest, Inc. (CA).

- The products subject to these investigations are certain heavy walled rectangular welded steel pipes and tubes of rectangular (including square) cross section, having a nominal wall thickness of not less than 4 mm. The merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-500, grade B specifications, or comparable domestic or foreign specifications.

Included products are those in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.0 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

The subject merchandise is currently provided for in item 7306.61.1000 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under HTSUS 7306.61.3000. While the HTSUS subheadings and ASTM specification are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

- In 2014, imports of heavy walled rectangular welded carbon steel pipes and tubes from Korea, Mexico, and Turkey were valued at an estimated \$50.5 million, \$53.7 million, and \$41.9 million, respectively.

NEXT STEPS

- Commerce has extended the final determinations in these investigations and is scheduled to announce them on or about July 13, 2016.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of heavy walled rectangular welded carbon steel pipes and tubes from Korea, Mexico, and/or Turkey materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If either Commerce's or the ITC's final determination are negative, no AD orders will be issued. The ITC is scheduled to make its final injury determinations in September 2016.

PRELIMINARY DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Korea	Dong-A Steel Company	2.53%
	HiSteel Co., Ltd.	3.81%
	All Others	3.31%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Mexico	Maquilacero S.A. de C.V.	3.99%
	Productos Laminados de Monterrey S.A. de C.V.	16.31%
	All Others	13.65%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSITS
Turkey	MMZ Boru Profil Uretim Sanayi Ve Tic. A.S.	14.48%	14.48%
	Ozdemir Boru Profil San. Ve Tic. Ltd. Sti.	0.00%	NA
	All Others	14.48%	14.24%

NOTE: The cash deposit rate is adjusted to account for the applicable export subsidy rate of 0.24 percent for all other exporters/producers in Turkey.

CASE CALENDAR:

EVENT	DATE
Petitions Filed	July 21, 2015
DOC Initiation Date	August 10, 2015
ITC Preliminary Determination	September 4, 2015
DOC Preliminary Determination	February 22, 2016
DOC Final Determination	July 13, 2016
ITC Final Determination*	August 29, 2016
Issuance of Order**	September 6, 2016 [†]

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

[†]Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

*This will take place only in the event of a final affirmative determination by Commerce.

**This will take place only in the event of final affirmative determinations by Commerce and the ITC.

IMPORT STATISTICS:

KOREA	2012	2013	2014
Volume (metric tons)	51,100	52,000	75,600
Value (USD)	39,116,000	35,580,000	50,517,000
MEXICO	2012	2013	2014
Volume (metric tons)	53,400	60,300	65,600
Value (USD)	45,394,000	51,745,000	53,682,000
TURKEY	2012	2013	2014
Volume (metric tons)	30,700	43,500	56,300
Value (USD)	25,266,000	32,841,000	41,868,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7306.61.1000).

Imports of heavy walled rectangular welded carbon steel pipes and tubes may also enter under 7306.61.3000. This HTSUS subheading may cover a significant amount of non-subject merchandise and therefore has been excluded for purposes of reporting import statistics.